

Finance Committee Meeting Minutes
Thursday, January 23, 2003

Convened: 7:05 PM

Present: Daniel DeWolfe, Clare O'Connor, James McCaffrey, Donna O'Connor, Francis Russell, Charles Giacoppe, Gene Buddenhagen

Also present: Dan Morgado, Michael Hale, Dr. Anthony Bent, Patrick Collins, Deborah Peeples, Phil Hammond, Thomas Fiore, Maurice DePalo, John Lebeaux, Christopher Kirk

Presiding: Daniel DeWolfe

Dr. Bent, Pat Collins and Deborah Peeples came before the committee members to address the funding of a study to evaluate the economic impact of the four models being considered to reconfigure the grades in the school district. Mrs. Peeples stated that the estimated cost of the study would be between \$18,000 and \$20,000.

Mr. Giacoppe stated that he had raised the issue of the financial difference between two models but hadn't anticipated the cost. He questioned how long the study would be valid if it was performed but couldn't be implemented.

Ms. Peeples commented that the study would be a continuation of an ongoing space study. She also stated that since a consensus is building around one of the models, the School Committee felt the study was not critical right now. Ms. Peeples explained that once the Coordinating Council obtained feedback from the schools and the community a decision would be made by April. Dr. Bent mentioned that the study would be more utilized if Model 4 was chosen.

Mr. Morgado informed the committee that the study would update a 1997 study. He further stated that the SBAB program of today would be dramatically different in two years.

Mr. Fiore stated the Selectmen hadn't formally discussed the issue but felt the study wouldn't be wise at this time.

Ms. Peeples commented that she appreciated the Town's willingness to do the study but that \$20,000 looked much more now than in other times.

Clare O'Connor made a motion not to recommend the study. Seconded by Mr. Russell, the motion was so voted 7 – 0.

Mr. DeWolfe then moved on to the night's agenda. **Mr. McCaffrey motioned to approve the minutes of the meeting held October 17, 2002. Seconded by Mr. Buddenhagen, the motion was so voted 7 – 0.**

Next, Mr. Morgado updated the FY03 situation. He stated he was waiting until the following week to see what the Governor, whom the General Court had authorized to cut local aid, would do. He explained that if Shrewsbury was cut by 10% it would translate to \$621,000. Mr. Morgado hoped that Mr. Hale would get more information at an MMA meeting on the following Tuesday.

Mr. DeWolfe questioned how Mr. Morgado would handle the cut. He replied that he didn't know at this point and that it would depend on the amount and any instructions from the Department of Revenue. Mr. Morgado further explained his approach to the FY 4 budget. He based his budget on how much is necessary to run the Town, not trying to guess what the State was going to do.

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That way, he would just have to react to any deficits as Town Meeting approached.

Mr. DeWolfe asked about the status of accounts in the FY 03 budget. Mr. Morgado explained that in the Unemployment Compensation account \$40,000 had been appropriated but that to date, \$51,000 had been spent. It was anticipated that the total expense for the year would be around \$70,000 - \$80,000 due to the pay as you go system. He then mentioned that Snow and Ice had a \$48,000 deficit right now. Fire Salaries were expected to go over due to contract negotiations and Heating might be high but the account had been increased due to the opening of the new high school.

Mr. Morgado then mentioned a bulletin from the Department of Revenue regarding two changes to the FY 04 Cherry Sheet. The first change stated that Cherry Sheet assessments would include tuition assessments for School Choice, Charter Schools and the Essex County Agricultural and Technical School, thus eliminating the need for town meeting to vote appropriations to cover these amounts. The second change regarded eliminating the Prior Year Underestimates and Overestimates appearing on the Cherry Sheet assessments. This is basically an accounting change.

There were no further questions from the Finance Committee.

The Finance Committee then addressed two requests for reserve fund transfers:

1. \$215.00 for Unclassified Non-Contrib account 01015909 510360. Mr. Hale explained that this was necessary due to a non-contrib retirement benefit increase for a retiree whose spouse had passed away, thus raising his benefit from Option C to Option A. **Mr. Russell motioned to approve this transfer. Seconded by Donna O'Connor, the motion was so voted 7 – 0.**
2. \$10,222 for various expenses necessary due to the fact that funds appropriated for the 5/5/03 Annual Town Election had been used to fund the non-budgeted Special Town Election held on 9/23/02 and because there is a change of polling place for Precinct Nine. Mr. Hale mentioned that the committee could vote this now or wait until a later date. He explained that Ann Dagle, Town Clerk, was making the request and had compiled the figures as follows:
 - a. 01016202 510030 - \$3,200 for Election Workers for 5/5/03 and Tellers for Spec. Town Meeting in March, 2003 and Annual Town Meeting in May, 2003,
 - b. 0106203 51003 - \$4,222 for Police payroll for deficits for the State Election on 11/5/02 and payroll for the 5/5/03 Annual Town Election,
 - c. 01016204 520130 - \$1,400 for Ballot printing and Coding for the 5/5/03 Annual Town Election,
 - d. 01016204 540150 - \$1,400 for Printing notices for change in Precinct 9 and postage to mail same.

Mr. McCaffrey motioned to approve the transfer. Seconded by Clare O'Connor, the motion was voted 7 – 0.

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Mr. McCaffrey then reported that several members had attended the Association of Town Finance Committees annual meeting at Holy Cross. He found the meeting to be very informative and found the bond rating session very helpful. He thanked Mr. Hale for arranging for their attendance. Mr. Giacoppe also echoed thanks to Mr. Hale and mentioned that Mr. Campbell had picked up a CD rom of the Finance Committee Handbook.

Mr. DeWolfe asked Mr. Morgado about the Center Project bid. Mr. Morgado noted that it had been postponed until the second week in February.

The members then reviewed the upcoming calendar with Mr. Morgado.

Lastly, Mr. Hale mentioned that of the numerous bids received for North Shore School, the two lowest bidders were local contractors and Masiello Construction had been awarded the bid. Foundations had been poured and the project was on schedule even though the weather has been bad.

Donna O'Connor motioned to adjourn the meeting. Seconded by Mr. McCaffrey, the motion was so voted 7 – 0.

Adjourned: 7:43 PM

Respectfully submitted,

Gail A. Sokolowski

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